

A Practical Guide to USPS® Prices

Rates effective 5/11/2009

Ways to apply the new
prices to your advantage.

STANDARD MAIL® STRATEGIES

When Standard Mail makes sense

Convert flats to letter-size mail

Avoid higher costs for
nonmachinable mail

Automate mail for maximum savings

Drop off closer to destinations

THE ECONOMY CLASS: WHEN STANDARD MAIL® MAKES SENSE

With one low price for up to 3.3 ounces, switching to Standard Mail could make good economic sense in certain situations.

The Changes

While Standard Mail® postage rates will increase, these rates are much lower than First-Class Mail® rates, especially for higher-weight mailpieces.

Smart Mailstream Practices

Every time you have a mailing of 200 pieces or more, (or total weight of the mail equaling 50 lb. or more) within the same processing category (letters, flats, parcels), it makes sense to carefully consider which class is best.

When to mail First-Class Mail®:

Some materials must be mailed First-Class Mail®:

- Handwritten or typewritten materials
- Bills, statements of account and invoices
- Personal correspondence

When time is of the essence:

- First-Class Mail® will reach most domestic destinations in 2-3 business days
- However, there are ways to speed up the process of Standard Mail® – such as making sure your mail is automation-compatible and dated with a meter indicia

When you do not have the ability to presort your mail:

- Sending fewer than 200 pieces or less than 50 lb.
- Do not currently have easy-to-use presort software

When to mail as Standard Mail®:

You may want to consider Standard Mail® rates for all other non-personal mail options, particularly when your marketing mail, newsletters or other mass communications are over one ounce.

- The minimum mail quantity is 200 pieces (or mailing equal to 50 or more pounds)
- The per-piece rate for Standard Mail® is good for mail up to 3.3 ounces. The postage on heavier mailpieces is based on a piece/pound calculation.

Making it Happen

Presort Software. The biggest challenge of Standard Mail® is that you have to presort your mail. And while the presort rules are complex, a good software application can do almost all of the work for you, including the preparation of any USPS required forms. When considering options, look for software that is CASS™ Certified (this is the USPS Coding Accuracy Support System) and PAVE™ (this stands for Presort Accuracy Validation and Evaluation) so you can benefit from better addresses, more accurate presorts and greater discounts.

Maintain Your Image. Saving money is smart, and you can look good too. Printing your postage indicia with a meter vs. a permit is the first step to a professional look. Plus, high-quality address printers provide crisp, precise, direct-to-envelope imaging and some even allow you to add spot color and personalized messages, which can help lead to more of your mail being opened and read.

High-speed processing. Producing high-volume mail in-house may be easier than you think. Mailstream automation solutions, including document folders and inserters, give you the flexibility you need to produce a broad range of effective mail formats.

May '08 Letter Rates	First-Class	Standard
1 ounce Single Piece	\$0.44	n/a
1 ounce Presorted*	\$0.414	\$0.273
1 ounce AADC Automation	\$0.360	\$0.253
3 ounce Single Piece	\$0.78	n/a
3 ounce Presorted*	\$0.664	\$0.273
3 ounce AADC Automation	\$0.610	\$0.253

*Machinable

For more information,
please contact us.

Pitney Bowes makes it easier for you to take advantage of Standard Mail® savings with a broad range of mailstream solutions:

- Address Printers
- SmartMailer™ Mail Management Software
- AddressRight® Pro
- Digital Mailing Systems
- Automatic Inserting Solutions
- Mail Folding Systems
- Postage Discount Program

FLATS TO FOLDED

STANDARD MAIL STRATEGIES

A Practical Guide

By converting flats to letter-size mail, you can take advantage of lower rates.

The Opportunity

With shape-based pricing, the cost for Standard Mail® flats remains significantly higher than the cost for letter-size mail. Depending on the types of presort you do, you could be paying more than double the postage for a flat-size mailer.

Standard Mail – Letters vs. Flats

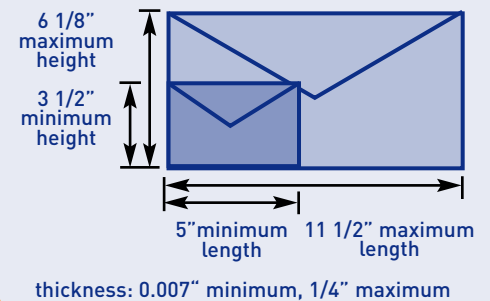
May '09 Rates	Letters	Flats
Machinable – Mixed AADC/ADC	\$0.273	\$0.558
Automation – Mixed AADC/ADC	\$0.270	\$0.496
Automation – 3-digit/scheme	\$0.251	\$0.418

Smart Mailstream Practices

By having a good understanding of what constitutes a letter vs. a flat, you can take steps to create mail pieces that are easier for the post office to deliver.

- **Design mailpieces to meet letter-size dimensional requirements.** While many letters are already created to fit inside a standard #10 envelope, you actually have a lot of flexibility to create mailings of different sizes – and still qualify for the lower letter-size rates.
- **Convert flat mail to letter-sized mail with a single fold.** The concept of “flats to folded” is important if your current mailings weigh less than or equal to 3.3 ounces. (Over 3.3 ounces, postage is based in part on the same per pound rate for both letters and flats.) In simplest terms, converting flat mail to letter-size mail is one of the easiest ways to cut costs and mitigate the rate increase. For example, documents that currently measure 8 1/2” x 11” can be folded once to fit into a 6” x 9” envelope, or twice to fit into a #10 window envelope, which will allow you to qualify for significantly lower rates.

Letter Dimensions



Making it Happen

The price change creates many opportunities for savings through proper mailpiece planning.

Precision Folding. If you're looking for a quick way to save postage, a heavy-duty folder combined with an intelligent inserting system can provide you with the high-speed, automatic feeding and folding required to transform documents into a size appropriate for a letter rate. For many documents, one fold will get you into a 6" x 9" envelope, two folds for a standard #10. Not only will you save on postage, you'll increase speed and productivity across your entire operation.

Automatic Rating. Mailing systems with dynamic weighing and postage rating by shape technology maximize efficiency by processing mixed weight material up to 16 oz. in a single operation. Each piece is automatically weighed and measured, ensuring an accurate postal calculation.

Pitney Bowes makes it easier for companies to optimize their mailstream, with solutions including:

- Automatic Inserting Solutions
- Mail Folding Systems
- Digital Mailing Systems

For more information,
please contact us.

AVOID HIGHER COSTS FOR NONMACHINABLE MAIL

Taking the time to ensure your mail is machinable could cut your postage costs in half.

The Opportunity

Creating mail that is easier for the USPS to process continues to be important under the latest price increase. The cost for nonmachinable letters is significantly greater than machinable mail, and higher Not Flat-Machinable rates will be assessed on mail that is too thick or rigid for machine processing.

In 2009, the USPS eliminated a number of Not Flat-Machinable categories (such as 3-digit) and other categories are now only available if your mail qualifies for Entry Discounts (such as 5-digit). These changes may further increase the cost of any Not Flat-Machinable mail you send.

Smart Mailstream Practices

By knowing the guidelines, you can design mailpieces to avoid the Not Flat-Machinable category, which will apply to:

- Mail that is too thick or too rigid to run on the USPS processor
- Mailpieces smaller than 5" x 6" and thicker than 1/4" (up to 1 1/4")
- Mailpieces longer than 15" (up to 15 3/4")
- Mailpieces thicker than 3/4" (up to 1 1/4")

Making it Happen

When you have an unusual mailpiece, particularly one that is rigid, take a moment to determine whether it meets the machinable requirements – and if not, what you can do differently. Whoever is designing your mailpieces and marketing promotions should also be brought up to speed on these guidelines.

Adjust Packaging. It may be possible for you to modify your envelope or mail kit to conform to the guidelines. You may also want to rethink what you are sending. For example, if you currently include pens or key chains in envelopes as a promotional item, perhaps you could find an alternative premium that is more mail-friendly.

Duplex Printing. If your mailpieces are thicker than 3/4", you should consider duplex (two-sided) printing. That will help you save on paper costs, as well.

Automated Folding and Inserting. These automation tools give you the flexibility you need to produce a broad range of effective mail formats.

Higher cost of Not Flat-Machinable (NFM)

	Automation	NFM
Mixed BMC/ADC	\$0.496	\$1.515
3-digit	\$0.418	n/a
5-digit	\$0.346	n/a*

For pieces 3.3 ounces or less.

* Available only on mail that qualifies for Entry Discounts.

IMPORTANT: If mailpieces are not uniform in thickness, you won't even qualify for the Not Flat-Machinable rate as such mailpieces will be classified as parcels and charged a higher rate.

Pitney Bowes makes it easier for companies to create USPS compliant mail with mailstream solutions such as:

- High Speed Laser Printer
- Automatic Inserting Solutions
- Mail Folding Systems

For more information,
please contact us.

AUTOMATE YOUR DISCOUNTS

As presorting Standard Mail® by hand becomes even more complex, software solutions add simplicity – and added savings.

The Opportunity

Under the new rate structure, there are 13 presort tiers for Standard Mail® letters, with the lowest being the Saturation Rate (\$0.182) and the highest being the Nonmachinable Mixed ADC Rate (\$0.578). With more than a 300% difference between these two extremes, presort strategies may become even more important.

Enhanced Carrier Route

- Saturation
- High Density
- Basic

Automation

- 5-Digit
- 3-Digit
- AADC
- Mixed AADC

Machinable

- AADC
- Mixed AADC

Nonmachinable

- 5-Digit
- 3-Digit
- ADC
- Mixed ADC

Mixed AADC Rates	May '08	May '09
Automation	\$0.257	\$0.270
Machinable	\$0.271	\$0.273
Nonmachinable	\$0.561	\$0.578

For letters 3.3 ounces or less

Smart Mailstream Practices

Ensuring that more of your mail qualifies for Automation Rates is one of the best ways to offset the postal rate increase.

The Automation Advantage. If you presort your mail, you are already doing most of the work – so it pays to take it to the next level: automation. The USPS offers more significant savings for automated mail because it is so much easier to process, so you can cut postal costs dramatically. To qualify for automation rates, you need to print a delivery point barcode on each mailpiece, and use an address list that has been validated against the USPS database.

Avoid Nonmachinable Formats. Designing mailpieces that can be processed efficiently will help you avoid the significant increases in nonmachinable mail.

Making it Happen

Presorting could be complex if you tried to utilize a manual process, but today's software solutions make it easy. All of the USPS guidelines are pre-programmed, so your mail will automatically be sequenced in the order that maximizes your postal discounts.

Presort Software. Today's leading solutions do more than sort your mail – they improve your address quality as well. When considering options, look for software that is CASS™ Certified (this is the USPS Coding Accuracy Support System) and PAVE™ (this stands for Presort Accuracy Validation and Evaluation) so you can benefit from better addresses, more accurate presorts and all of the required mailing forms. While this may all sound complicated, the right software makes it easy.

Barcode Printing: Many software solutions give you the capability to print barcodes on a document as part of your mailing address. You may also want to use a specialized address printer, which provides crisp, direct-to-envelope address and imaging to create a more professional look. With the addition of spot color and personalized messages, these solutions can help lead to more of your mail being opened and read.

For more information,
please contact us.

Pitney Bowes offers a broad range of solutions that can make it easier for you to save money, including:

- SmartMailer™ Mail Management Software
- AddressRight® Pro Software
- VeriMove™ Software
- Addressing Printers
- Digital Mailing Systems
- Intelligent Mail® Solutions

High-volume mailers may want to consider the Group 1 Software line of mailing efficiency solutions, including:

- CODE-1 Plus® Computer Program
- MailStream Plus® Mail Sortation Software

DROP OFF CLOSER TO DESTINATIONS

Entry Discounts provide for the lowest rates possible.

The Opportunity

The USPS continues to provide discounts for Standard Mail® mailers who enter their mail closer to the delivery destination. By transporting your mail to the appropriate DBMC or DSCF, you could save up to 18% or more.

Destination Bulk Mail Center (DBMC) There are 21 DBMCs in the U.S., which handle mail for large areas. To qualify for DBMC rates, your mailpieces must enter and be addressed for delivery within the service area for that particular DBMC.

Destination Sectional Center Facility (DSCF) There are 350 DSCFs in the U.S. and you can receive a greater discount by entering your mail at one of these facilities. To qualify for DSCF rates, your mailpieces must enter and be addressed for delivery within the service area for that particular DSCF.

Entry Discounts – Automation Letters

	None	DBMC	DSCF
Mixed AADC	\$0.270	\$0.236	n/a
AADC	\$0.253	\$0.219	\$0.210
3-digit/scheme	\$0.251	\$0.217	\$0.208
5-digit/scheme	\$0.233	\$0.199	\$0.190

For letters 3.3 ounces or less

Smart Mailstream Practices

Obviously, getting mail to a DBMC or DSCF will require some effort on your part, but it may make sense to determine if entry discounts make sense for you.

Locate your local bulk mail centers. There may be a location near you. You can find a listing, which includes hours and directions, at www.usps.com/bulkmailcenters.

Analyze your mail files. Do you tend to mail to a lot of people in the same area? Are your mailings concentrated in a certain region or geography? If so, saving on postage may be easier than you think.

Get the savings you're entitled too. Even if you conduct national mailings, you can still take advantage of the discounts for all mail within the service area of your drop-off point.

For more information,
please contact us.

Making it Happen

With a pencil and calculator, you can easily estimate the extra discounts you can earn. Simply compare these discounts to the costs you would incur in getting mail to an appropriate drop-off point to see how much you can save.

Presort Software. The leading solutions can automatically calculate the destination discounts you've earned, whether all of your mail qualifies for entry-level discounts or only a small portion. When considering options, look for software that is CASS Certified™ (this is the USPS Coding Accuracy Support System) and PAVE™ (this stands for Presort Accuracy Validation and Evaluation) so you can benefit from better addresses, more accurate presorts and all of the required mailing forms.

Pitney Bowes makes it easier for you to take advantage of Standard Mail savings with a broad range of mailstream solutions:

- SmartMailer™ Mail Management Software
- AddressRight® Pro Software